

Exhibit D

November 20, 2002

The terms, conditions and language of the 1199 SEIU – Rite Aid collective bargaining agreement effective October 11, 1998 through October 10, 2002 shall continue in full force and effect through October 14, 2006 unless modified by any of the provisions set forth in the attached document dated November 20, 2002.

OFFER OF SETTLEMENT

ON THE BASIS OF A PROMPT, PEACEABLE AND FULLY RECOMMENDED SETTLEMENT, RITE AID MAKES THIS ITS LAST AND FINAL OFFER TO SEIU 1199 FOR RENEWAL OF ITS CURRENT LABOR AGREEMENT WITH SEIU 1199. IF NOT RATIFIED ~~PROMPTLY~~, THIS OFFER IS WITHDRAWN IN ITS ENTIRETY.

RENEW THE CURRENT LABOR AGREEMENT WITH THE FOLLOWING CHANGES:

As agreed, October 29, 2002, renumber the contract to make it easier to locate relevant language so that Article I first paragraph becomes Article 1. Section 1.1, second paragraph becomes Section 1.2 and so forth.

~~As agreed October 29, 2002; change reference from "employee" to "associate" throughout the contract.~~

Article 5 - Revise Article to delete all references to bonuses.

Article 5 Section 5.2 - All non-probationary Associates on the payroll at ratification will receive the minimum wage set forth in Article 6 or the general wage increase set forth for October 13, 2002, whichever is greater. Thereafter, the Associate will receive scheduled pay progression increases and when completed with the progression, will receive the next scheduled general wage increase because of being above the progressions due to seniority.

Article 6 Section 6.3 - As agreed October 30, 2002; delete, as it does not apply to our business.

Article 6 Section 6.4 - As agreed November 7, 2002; revise the language to reflect bi-weekly payroll and delete the third and fourth sentences from that section.

Article 6 Section 6.6 - revise the term "key" to "shift supervisor" throughout the agreement.

Article 8 Section 8.1 - Insert new language as follows:

"Vacation is a work earned benefit."

Article 8 Sections 8.1.2 and 8.2 – As agreed November 7, 2002, delete and replace with the following:

"The number of hours constituting a vacation week shall be the total number of hours paid to the associate in the preceding year divided by the number of weeks actually worked. In the event an associate was on an approved; written leave of absence for the reasons of personal or medical leave, the associate's total number of weeks worked in the preceding year will be divided by a figure arrived at by subtracting the number of weeks of such a personal or medical leave from the number of weeks employed."

Article 8 Section 8.3 – As agreed October 30, 2002, insert "except during the period from November 1 through December 31" at the end of the first sentence.

Article 8 Section 8.7 – As agreed November 12, 2002, add new language clarifying that all vacation time must be taken during the associate's vacation year and there is no "carryover" of vacation time from one year to the next. In addition, vacation time will not be paid out "in lieu" of time off. In the event the employer has denied a vacation request, not to include the period from November 1 through December 31, and the associate was not given the opportunity to take their earned vacation, it may be "carried over" for one year upon receipt of documentation from the associate and their supervisor at the time of refusal.

Article 13 Section 13.4 – New – Add the following per Pathmark settlement:

All graduate students seeking to be promoted to staff pharmacist position shall participate in drug testing designated by the Employer. No one shall be promoted to the position of staff pharmacist unless or until he or she passes the drug test without qualification. Any person failing a drug test must enroll in and complete the Local 1199 Members Assistance Drug Rehabilitation Program.

Article 15 – As agreed November 12, 2002 revised to read as follows:

"15.1 The employer hereby agrees that it will not, during the term of this Agreement, grant a concession in any drug store to any person, firm or corporation related to the Drug Store or Pharmacy Industry. Furthermore, the employer agrees to provide the union written notice of it's intent to add a concession not related to the drug store or pharmacy industry."

"15.2 At the union's request, the parties shall meet and confer to discuss the proposed concession."

"15.3 Should the union consent to the employer's grant of a concession, it is specifically understood and agreed no more than one (1) concession shall be in a store. No 199 member will be required or permitted to work in any capacity in the concession."

Article 16.2 – As agreed November 7, 2002, delete.

Article 31 Section 31.1.5 – Revise to read as follows:

"If the grievance is not settled in step II, the grievance may be presented at step III at the next scheduled step III meeting between the union and the employer. Failure on the part of the grievant to appear at the next scheduled meeting, absent a legitimate excuse, shall result in the withdrawal of the grievance. When the grievance is presented in step III, it shall be reduced to writing and presented to the Employer's Director of Labor Relations. A grievance still presented in step III shall be answered by the Employer in writing within thirty (30) calendar days after presentation. Failure of the employer to render it's decision within said time limit will result in default by the Employer, and the grievance shall be deemed granted by the Employer. All time limits under this grievance procedure may be extended by mutual agreement. The Employer and the Union will mutually agree on the appropriate extension for the Hearings and Appeals process."

Article 31. Section 31.3 and 31.6 – Revise from five to fourteen working days.

Article 31 Section 31.8 – Accept union counter proposal to change language to the following:

"All awards rendered by the Arbitrator shall be complied with within thirty (30) days."

Article 32 Section 32.2 – Delete as agreed on November 18, 2002.

Revise Term of the Agreement from 10/13/2002 through 10/14/2006.

Retroactivity is guaranteed upon a prompt and peaceable settlement. Retroactivity will be paid within 30 days of ratification on a separate check. No benefit fund contributions will be paid on retroactivity. Retroactivity will only be paid to those Associates on the payroll on the date of ratification.

Both parties agree to withdraw, with prejudice, all unfair labor practices charges and/or any other causes of action filed as a result of ongoing bargaining of the successor agreement.

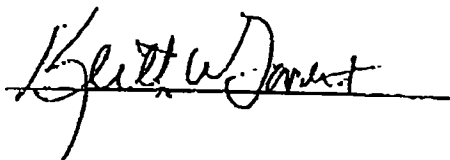
LETTER OF UNDERSTANDING

Rite Aid Corporation and SEIU 1199 agree that the change in name from "key person" to "shift supervisor" shall continue from agreement to agreement and will not be used by the company to change the associate's union status.

The parties also agree, that in the administration of Article 31 Section 31.1.5 the term "legitimate" shall be interpreted in a manner so that failure to attend more than one scheduled Step III meeting shall result in the withdrawal of the grievance.

The High Wage Earner Credit will continue for the life of this agreement in the maximum authorized amount and shall continue from agreement to agreement as long as credit is offered and Rite Aid has Associates eligible for the credit.

ACKNOWLEDGED AND AGREED TO THIS DAY OF Nov 20, 2002:



Keith Lovett
Sr. Vice President, Human Resources



Mike Rifkin
Executive Vice President



SCHEDULE C (UPSTATE NEW YORK)

Article 9 – Add to Article 9B – All Associates will receive one birthday holiday after one year of employment. There will be no carry over for birthday holidays.

SCHEDULE D (NEW JERSEY)

Article 9 – Add to Article 9B – All Associates will receive one birthday holiday after one year of employment. There will be no carry over for birthday holidays.

account of disability benefits. The National Benefit Fund will certify the assumption of this obligation in connection with disability benefits to the appropriate State agency and to the Employer.

26.5 An independent audit of the National Benefit Fund shall be made annually and a statement of the results thereof shall be furnished to the Employer.

26.6 The Trustees shall continue to provide Benefit Fund enrollment cards to the Employer in accordance with its prior practice.

~~26.7 The Employer agrees that the provisions of this Article and Article 28 will~~
continue in full force and effect in the event of any change in the name, composition or structure of the National Benefit Fund or the creation of any successor fund which assumes the responsibility to provide the same or similar health benefits to the Employees covered by this Agreement, which change or changes are consented to by a majority of the Union Trustees and a majority of the Employer Trustees from the New York District or by operation of law. In any event, all payment and other obligations referred to herein will be to the successor fund.

ARTICLE 27

PENSION FUND

Language Articles as in the 1199 League of Voluntary Hospitals agreement
2001-2005.

Training and Upgrading Fund language in accordance with language in 1199 League
agreement 2001 - 2005.

*in accordance with the 2001-05
League Agreement*

Child Care Fund, effective October 12, 2003 increase employer contribution from .3% to

.4% of the gross payroll of the Employees excluding the payroll of the Employees during

the first four (4) months of employment.

in accordance with the 2001-05 League Agreement

Job Security Fund, effective October 9, 2005, Employer will contribute .25% of the gross

payroll of the Employees excluding the payroll of the Employees during the first four (4)

months:

in accordance with the 2001-05 League Agreement

THE AID DOOR PROJECT REPORT FOR THE YEAR 2004 Prepared by: The Aid Door Project Date: 12/14/04

Local 1198 NYC

CATEGORY

	10/13/02			12/14/03			12/12/04			12/7/05		
	Mln.	\$ Inc.	% Inc.	Mln.	\$ Inc.	% Inc.	Mln.	\$ Inc.	% Inc.	Mln.	\$ Inc.	% Inc.
Pharmacist, Supervising	38.75	8.75	29.2%	40.25	1.50	3.9%	41.75	1.50	3.7%	43.45	1.70	4.1%
Pharmacist, Registered	37.50	8.50	28.3%	39.00	1.50	3.8%	40.50	1.50	3.8%	42.20	1.70	4.2%
Pharmacist, Graduate	18.00	7.00	63.6%	18.75	0.75	4.2%	19.50	0.75	4.0%	20.25	0.75	3.8%
Intern, 6th Year	14.00	5.00	55.6%	14.50	0.50	3.5%	15.00	0.50	3.4%	15.50	0.50	3.3%
Intern, 5th Year	13.00	4.00	44.4%	13.50	0.50	3.8%	14.00	0.50	3.7%	14.50	0.50	3.6%
Intern, 4th Year	11.00	3.00	37.5%	11.50	0.50	4.5%	12.00	0.50	4.3%	12.50	0.50	4.2%
Pharmacist, Assistant	9.00	0.25	2.8%	9.25	0.25	2.8%	9.75	0.50	5.4%	10.25	0.50	5.1%
Years 10-14	10.75	0.25	2.4%	11.00	0.25	2.3%	11.50	0.50	4.5%	12.00	0.50	4.3%
Years 15+	12.00	0.25	2.1%	12.25	0.25	2.1%	12.75	0.50	4.1%	13.25	0.50	3.8%
Shift Supervisor	7.20	N/A	N/A	7.35	0.15	2.1%	7.45	0.10	1.4%	7.45	-	0.0%
Step 1-Start	7.45	N/A	N/A	7.60	0.15	2.0%	7.60	-	0.0%	7.60	-	0.0%
Step 2-Start+6 months	7.80	N/A	N/A	7.95	0.15	1.9%	7.95	-	0.0%	7.95	-	0.0%
Step 3-Start+6 months	8.10	N/A	N/A	8.25	0.15	1.9%	8.25	-	0.0%	8.25	-	0.0%
Step 4-Start+6 months	8.40	N/A	N/A	8.55	0.15	1.8%	8.55	-	0.0%	8.55	-	0.0%
Step 5-Start+6 months	8.65	N/A	N/A	8.80	0.15	1.7%	8.80	-	0.0%	8.80	-	0.0%
Step 6-Start+6 months	9.20	N/A	N/A	9.40	0.20	2.2%	9.60	0.20	2.1%	9.80	0.20	2.1%
Step 7-Start+6 months	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Step 8-Start+6 months	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Technician Pharmacy	6.70	0.20	3.1%	6.85	0.15	2.2%	6.85	-	0.0%	6.85	-	0.0%
Step 1-Start	7.20	0.20	2.8%	7.35	0.15	2.1%	7.35	-	0.0%	7.35	-	0.0%
Step 2-Start+6 months	7.70	0.20	2.7%	7.85	0.15	1.9%	7.85	-	0.0%	7.85	-	0.0%
Step 3-Start+6 months	8.20	0.20	2.5%	8.40	0.20	2.4%	8.40	-	0.0%	8.40	-	0.0%
Step 4-Start+6 months	8.45	0.20	2.4%	8.65	0.20	2.4%	8.65	-	0.0%	8.65	-	0.0%
Step 5-Start+6 months	8.70	0.20	2.4%	8.90	0.20	2.3%	8.90	-	0.0%	8.90	-	0.0%
Step 6-Start+6 months	9.20	0.20	2.2%	9.40	0.20	2.2%	9.40	-	0.0%	9.40	-	0.0%
Step 7-Start+6 months	10.75	0.25	2.4%	11.00	0.25	2.3%	11.20	0.20	1.8%	11.40	0.20	1.8%
Step 8-Start+6 months	11.75	0.25	2.2%	12.00	0.25	2.1%	12.20	0.20	1.7%	12.40	0.20	1.6%
Step 9-Start+6 months	13.30	0.30	2.3%	13.50	0.20	1.5%	13.70	0.20	1.5%	13.80	0.20	1.5%

REED & BUCKINGHAM
PROPOSERS

Fulton-Tone Cashiers and
Oliver

प्राप्त

Wahid-Ul-Sham

2-5/18/46 months

2160 3-48 month

also 4-6 months

Slipped 8-15 months

1-800-7-46

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[illegible]

Schedule C

CATEGORY	10/13/02			Rel.	12/14/03			12/12/04			12/27/05				
	Min.	\$ Inc.	% Inc.		Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.		
Pharmacist, Supervising	36.75	8.75	23.2%	40.25	1.50	3.9%	41.75	1.50	3.7%	43.45	1.70	4.1%	45.15	1.70	3.9%
Pharmacist, Registered	37.50	8.50	22.3%	39.00	1.50	4.0%	40.50	1.50	3.8%	42.20	1.70	4.2%	43.90	1.70	4.0%
Pharmacist, Graduate	12.00	7.00	53.8%	18.75	0.75	4.2%	19.50	0.75	4.0%	20.25	0.75	3.8%	21.00	0.75	3.7%
Intern, 5th Year	14.00	5.00	35.6%	14.50	0.50	3.6%	15.00	0.50	3.4%	15.50	0.50	3.3%	16.00	0.50	3.2%
Intern, 6th Year	13.00	4.00	34.4%	13.50	0.50	3.8%	14.00	0.50	3.7%	14.50	0.50	3.6%	15.00	0.50	3.4%
Intern, 4th Year	11.00	3.00	27.5%	11.50	0.50	4.5%	12.00	0.50	4.3%	12.50	0.50	4.2%	13.00	0.50	4.0%
Shift Supervisor	7.00	N/A	N/A	7.15	0.15	2.1%	7.15	-	0.0%	7.15	-	0.0%	N/A	N/A	N/A
Step 1-Start	7.25	N/A	N/A	7.40	0.15	2.1%	7.40	-	0.0%	7.40	-	0.0%	7.40	-	0.0%
Step 2-Start+8 months	7.50	N/A	N/A	7.65	0.15	2.0%	7.85	-	0.0%	7.85	-	0.0%	7.85	-	0.0%
Step 3-+8 months	7.75	N/A	N/A	7.80	0.05	0.6%	7.80	-	0.0%	7.80	-	0.0%	7.80	-	0.0%
Step 4-+8 months	8.00	N/A	N/A	8.15	0.15	1.8%	8.15	-	0.0%	8.15	-	0.0%	8.15	-	0.0%
Step 5-+8 months	8.30	N/A	N/A	8.45	0.15	1.8%	8.45	-	0.0%	8.45	-	0.0%	8.45	-	0.0%
Step 6-+8 months	8.60	N/A	N/A	8.75	0.15	1.7%	8.90	0.15	1.7%	9.05	0.15	1.7%	9.20	0.15	1.7%
Step 7-+8 months	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.40	0.35	3.9%
Step 8-+5 months	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Technicians, Pharmacy	6.20	0.20	3.3%	6.35	0.15	2.4%	6.35	-	0.0%	6.35	-	0.0%	6.35	-	0.0%
Hire	6.70	0.20	3.1%	6.85	0.15	2.2%	6.85	-	0.0%	6.85	-	0.0%	6.85	-	0.0%
+ 6 Mths	7.20	0.20	2.8%	7.35	0.15	2.1%	7.35	-	0.0%	7.35	-	0.0%	7.35	-	0.0%
+12 Mths	7.70	0.20	2.7%	7.80	0.20	2.6%	7.80	-	0.0%	7.80	-	0.0%	7.80	-	0.0%
+24 Mths	7.85	0.20	2.6%	8.15	0.20	2.5%	8.15	-	0.0%	8.15	-	0.0%	8.15	-	0.0%
+ 30 Mths	8.20	0.20	2.5%	8.40	0.20	2.4%	8.40	-	0.0%	8.40	-	0.0%	8.40	-	0.0%
+ 36 Mths	8.70	0.20	2.4%	8.90	0.20	2.3%	8.90	-	0.0%	8.90	-	0.0%	8.90	-	0.0%
Full/Part-Time Cashiers and Other	8.00	N/A	N/A	8.15	0.15	2.5%	8.15	-	0.0%	8.15	-	0.0%	N/A	N/A	N/A
Step 1-Start	8.25	N/A	N/A	8.40	0.15	2.4%	8.40	-	0.0%	8.40	-	0.0%	8.40	-	0.0%
Step 2-Start+6 months	8.50	N/A	N/A	8.65	0.15	2.3%	8.65	-	0.0%	8.65	-	0.0%	8.65	-	0.0%
Step 3-+6 months	8.75	N/A	N/A	8.80	0.05	0.7%	8.80	-	0.0%	8.80	-	0.0%	8.80	-	0.0%
Step 4-+6 months	7.00	N/A	N/A	7.15	0.15	2.1%	7.15	-	0.0%	7.15	-	0.0%	7.15	-	0.0%
Step 5-+6 months	7.30	N/A	N/A	7.45	0.15	2.1%	7.45	-	0.0%	7.45	-	0.0%	7.45	-	0.0%
Step 6-+6 months	7.60	N/A	N/A	7.75	0.15	2.0%	7.90	0.15	1.9%	8.05	0.15	1.9%	8.20	0.15	1.9%
Step 7-+6 months	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule D
CATEGORY

10/13/02				12/7/03				12/12/04				12/7/05			
Mth.	\$ Inc.	% Inc.	Rd.	Mth.	\$ Inc.	% Inc.		Mth.	\$ Inc.	% Inc.		Mth.	\$ Inc.	% Inc.	
7.00	N/A	N/A		7.15	0.15	2.1%		7.15	-	0.0%		N/A	N/A		
7.25	N/A	N/A		7.40	0.15	2.1%		7.40	-	0.0%		7.40	-	0.0%	
7.50	N/A	N/A		7.65	0.15	2.0%		7.65	-	0.0%		7.65	-	0.0%	
7.75	N/A	N/A		7.80	0.05	0.6%		7.80	-	0.0%		7.80	-	0.0%	
8.00	N/A	N/A		8.15	0.15	1.9%		8.15	-	0.0%		8.15	-	0.0%	
8.30	N/A	N/A		8.45	0.15	1.8%		8.45	-	0.0%		8.45	-	0.0%	
8.60	N/A	N/A		8.75	0.15	1.7%		8.90	0.15	1.7%		9.05	0.15	1.7%	
N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A		
6.20	0.20	3.3%		6.35	0.15	2.4%		6.35	-	0.0%		6.35	-	0.0%	
6.70	0.20	3.1%		6.85	0.15	2.2%		6.85	-	0.0%		6.85	-	0.0%	
7.20	0.20	2.9%		7.35	0.15	2.1%		7.35	-	0.0%		7.35	-	0.0%	
7.70	0.20	2.7%		7.80	0.20	2.6%		7.80	-	0.0%		7.90	-	0.0%	
7.95	0.20	2.6%		8.15	0.20	2.5%		8.15	-	0.0%		8.15	-	0.0%	
8.20	0.20	2.5%		8.40	0.20	2.4%		8.40	-	0.0%		8.40	-	0.0%	
8.70	0.20	2.4%		8.90	0.20	2.3%		8.90	-	0.0%		8.90	-	0.0%	
6.00	N/A	N/A		6.15	0.15	2.5%		6.15	-	0.0%		6.15	-	0.0%	
6.25	N/A	N/A		6.40	0.15	2.4%		6.40	-	0.0%		6.40	-	0.0%	
6.50	N/A	N/A		6.65	0.15	2.3%		6.65	-	0.0%		6.65	-	0.0%	
6.75	N/A	N/A		6.80	0.05	0.7%		6.80	-	0.0%		6.80	-	0.0%	
7.00	N/A	N/A		7.15	0.15	2.1%		7.15	-	0.0%		7.15	-	0.0%	
7.30	N/A	N/A		7.45	0.15	2.1%		7.45	-	0.0%		7.45	-	0.0%	
7.60	N/A	N/A		7.75	0.15	2.0%		7.80	0.15	1.9%		8.05	0.15	1.9%	
N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A		

Rite Aid Tentative Settlement Examples for Wage Increase Understanding

Master Agreement

Example 1: Supervising Pharmacist

Current wage: \$38.00 per hour

10/13/02: \$38.75 (new minimum)

on date of ratification: \$40.25 (new minimum)

12/14/03: \$41.75 (new minimum)

~~12/12/04: \$43.45 (new minimum)~~

12/7/05: \$45.15 (new minimum)

retroactive payment: \$0.75 per hour worked between 10/13/02 and ratification date plus overtime

Example 2: Registered Pharmacist

Current wage: \$40.00

10/13/02: \$40.40(1% raise) plus 1% bonus of previous 12 month's base rate

on date of ratification: \$40.80(1% raise) plus 1% bonus of previous 12 month's base rate

12/14/03: \$41.62(2% raise) plus 2% bonus of previous 12 month's base rate

12/12/04: \$42.20(new minimum)

12/7/05: \$43.90(new minimum)

retroactive payment: \$0.40 per hour worked between 10/13/02 and ratification date plus overtime

Example 3: Intern, 6th year

Current wage: \$14.75

10/13/02: \$14.75 (already above new minimum)

on date of ratification: \$14.75 (already above new minimum)

12/14/03: \$15.00 (new minimum)

12/12/04: \$15.50 (new minimum)

12/7/05: \$16.00 (new minimum)

retroactive payment: none

Example 4: Intern, 4th year

Current wage: \$10.50

10/13/02: \$11.00 (new minimum)

on date of ratification: \$11.50 (new minimum)

12/14/03: \$12.00 (new minimum)

12/12/04: \$12.50 (new minimum)

12/7/05: \$13.00 (new minimum)

retroactive payment: \$0.50 per hour worked between 10/13/02 and ratification date
plus overtime

Example 5: Shift Supervisor

Date of Hire: 12/1/2000

Current wage: \$8.00

10/13/02: \$8.00 (already above minimum rate)

on date of ratification: \$8.00 (already above minimum rate)

~~12/1/02: \$8.25 (progression)~~

5/1/03: \$8.55 (progression)

12/1/03: \$8.80 (progression)

5/1/04: \$9.60 (progression)

12/12/04: \$9.98 (out of progressions, 4% raise)

12/7/05: \$10.38 (out of progressions, 4% raise)

retroactive payment: none

Example 6: Pharmacy Technician

Date of Hire: 12/1/2000

Current wage: \$8.00

10/13/02: \$8.20 (new minimum)

on date of ratification: \$8.40 (new minimum)

12/1/02: \$8.65 (progression)

5/1/03: \$8.90 (progression)

12/1/03: \$9.40 (progression)

12/14/03: \$9.78 (out of progressions, 4% raise)

12/12/04: \$10.17 (out of progressions, 4% raise)

12/1/05: \$11.40 (longevity step)

12/7/05: \$12.06 (new longevity step and out of progressions, 4% raise)

retroactive payment: 0.20 per hour worked between 10/13/02 and ratification date
plus overtime

Example 7: Full/Part time Cashier-Other

Date of Hire: 12/1/2000

Current wage: \$7.35

10/13/02: \$7.35 (already above minimum in progressions)

on date of ratification: \$7.35 (already above minimum in progressions)

12/1/02: \$7.55 (progression)

5/1/03: \$7.80 (progression)
 12/1/03: \$8.40 (progression)
 12/14/03: \$8.60 (progression)
 12/12/04: \$8.94 (out of progression, 4% raise)
 12/7/05: \$9.30 (out of progression, 4% raise)
 retroactive payment: none

Example 8: Full/Part time Cashier-Other

Date of Hire: 12/1/1990

Current wage: \$14.66

10/13/02: \$14.95 (out of progressions, 2% raise)

~~on date of ratification: \$15.25 (out of progressions, 2% raise)~~

12/14/03: \$15.56 (out of progressions and above \$15, 2% raise plus 2% bonus of previous 12 month's base rate)

12/12/04: \$15.87 (out of progressions and above \$15, 2% raise plus 2% bonus of previous 12 month's base rate)

12/7/05: \$16.19 (out of progressions and above \$15, 2% raise plus 2% bonus of previous 12 month's base rate)

retroactive payment: \$0.29 per hour worked between 10/13/02 and date of ratification plus overtime

Upstate Agreement

Example 1: Supervising Pharmacist

Current wage: \$46.00

10/13/02: \$46.46 (above minimum, 1% raise plus 1% bonus of previous 12 month's base rate)

on date of ratification: \$46.92 (above minimum, 1% raise plus 1% bonus of previous 12 month's base rate)

12/14/03: \$47.86 (above minimum, 2% raise plus 2% bonus of previous 12 month's base rate)

12/12/04: \$48.82 (above minimum, 2% raise plus 2% bonus of previous 12 month's base rate)

12/7/05: 49.80 (above minimum, 2% raise plus 2% bonus of previous 12 month's base rate)

retroactive payment: \$0.46 per hour worked between 10/13/02 and ratification date plus overtime

Example 2: Shift Supervisor

Date of hire: 12/1/2000

Current wage: \$7.50

10/13/02: \$7.75 (new minimum)

on date of ratification: \$7.80 (new minimum)

12/1/02: \$8.15 (progression)

5/1/03: \$8.45 (progression)

12/1/03: \$8.75 (progression)

12/14/03: \$9.10 (out of progressions, 4% raise)

12/12/04: \$9.46 (out of progressions, 4% raise)

12/7/05: \$9.84 (out of progressions, 4% raise)

retroactive payment: \$0.25 per hour worked between 10/13/02 and ratification date
plus overtime

Example 3: Pharmacy Technician

Date of hire: 12/1/2000

Current wage: \$7.50

10/13/02: \$7.70 (new minimum)

on date of ratification: \$7.90 (new minimum)

12/1/02: \$8.15 (progression)

5/1/03: \$8.40 (progression)

12/1/03: \$8.90 (progression)

12/14/03: \$9.26 (out of progressions, 4% raise)

12/12/04: \$9.63 (out of progressions, 4% raise)

12/7/05: \$10.01 (out of progressions, 4% raise)

retroactive payment: \$0.20 per hour worked between 10/13/02 and ratification date
plus overtime

Example 4: Full/Part time Cashier-Other

Date of hire: 12/1/2000

Current wage: \$6.00

10/13/02: \$6.75 (new minimum)

on date of ratification: \$6.80 (new minimum)

12/1/02: \$7.15 (progression)

5/1/03: \$7.45 (progression)

12/1/03: \$7.75 (progression)

12/14/03: \$8.06 (out of progressions, 4% raise)

12/12/04: \$8.38 (out of progressions, 4% raise)

12/7/05: \$8.72 (out of progressions, 4% raise)

retroactive payment: \$0.75 per hour worked between 10/13/02 and ratification date
plus over time

New Jersey Agreement

Example 1: Shift Supervisor

Date of hire: 12/1/2000

Current wage: \$7.50

10/13/02: \$7.75 (new minimum)

on date of ratification: \$7.80 (new minimum)

12/1/02: \$8.15 (progression)

5/1/03: \$8.45 (progression)

12/1/03: \$8.75 (progression)

12/14/03: \$9.10 (out of progression, 4% raise)

~~12/12/04: \$9.46 (out of progression, 4% raise)~~

12/7/05: \$9.84 (out of progression, 4% raise)

retroactive payment: \$0.25 per hour worked between 10/13/02 and ratification date
plus overtime

Example 2: Pharmacy Technician

Date of hire: 12/1/2000

Current wage: \$7.50

10/13/02: \$7.70 (new minimum)

on date of ratification: \$7.90 (new minimum)

12/1/02: \$8.15 (progression)

5/1/03: \$8.40 (progression)

12/1/03: \$8.90 (progression)

12/14/03: \$9.26 (out of progression, 4% raise)

12/12/04: \$9.63 (out of progression, 4% raise)

12/7/05: \$10.02 (out of progression, 4% raise)

retroactive payment: \$0.20 per hour worked between 10/13/02 and ratification date
plus overtime

Example 3: Full/Part time Cashier-Other

Date of hire: 12/1/2000

Current wage: \$6.00

10/13/02: \$6.75 (new minimum)

on ratification date: \$6.80 (new minimum)

12/1/02: \$7.15 (progression)

5/1/03: \$7.45 (progression)

12/1/03: \$7.75 (progression)

12/14/03: \$8.06 (out of progressions, 4% raise)

12/12/04: \$8.38 (out of progressions, 4% raise)

12/7/05: \$8.72 (out of progressions, 4% raise)

retroactive payment: \$0.75 per hour worked between 10/13/02 and ratification date,
plus overtime


Pharmacists adjust year 1 by greater of minimum or 2% + 2%. Years 2-4 adjust by 4%.

Interns adjust by minimum rate by year.

All other jobs: Year 1; minimum and maximum adjust by 2% + 2%. Years 2-4 jobs adjust by step increases up to maximums.

Above maximums adjust by 4% up to \$15.00 over \$15.00 2% + 2%.


Rite Aid Corporation


SEIU 1199

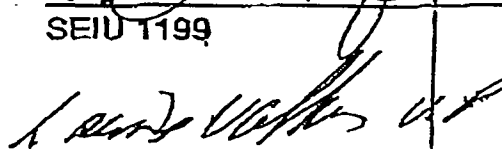
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Exhibit E

Memorandum of Agreement

IT IS HEREBY AGREED by and between 1199SEIU UNITED HEALTHCARE WORKERS EAST ("1199" or "Union") and RITE AID CORPORATION ("Employer") that:

WHEREAS 1199 and the Employer are parties to a 1998-2002 collective bargaining agreement as extended by a 2002 Memorandum of Agreement ("CBA") which expired on October 14, 2006; and

WHEREAS the parties have negotiated through collective bargaining, a successor agreement to the CBA;

NOW, THEREFORE, the parties hereby agree as follows:

NON-ECONOMIC AGREEMENT

Continuation of Existing Terms

All of the terms and conditions in the CBA shall remain in full force and effect unless expressly modified in this Memorandum of Agreement ("MOA").

Duration

The successor agreement shall be from October 14, 2006 through October 14, 2010.

Article 4. New Section Add Language:

- *Rite Aid associates will be required to sign an acknowledgement/confirmation of receipt of updates of Company Policies, Procedures, Training Guidelines including HIPAA training and other new technology or government regulated training. We will continue to follow Article 35, Management Rights, as outlined in the 2002 Memo of Agreement.*
- *The Employer may require associates to complete electronically and/or initial Company Policies, Work Rules, and Training Materials (including CBT Training) that are job related or required by law, and to verify that those policies and rules have been read and that the associates are familiar with their contents. Company Policies which are given to associates and Work Rules will be furnished to the Union. We will continue to follow Article 35, Management Rights, as outlined in the 2002 Memo of Agreement.*

RITE AID/1199 SEIU
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Article 4, New Section

Pharmacy Interns – At least two time per year, Pharmacy Interns are invited to confirm their "early commit" to become a Pharmacist at a Rite Aid drug store upon the completion of their licensure. "A Pharmacist Intern who does not agree to an early commit with the Company will be deemed to have voluntarily resigned their position 30 days after the early commitment deadline."

Pharmacy Interns – examination. "Pharmacy Graduate Interns that do not take their boards at the earliest possible offering, and pharmacy interns that do not pass their boards after three consecutive attempts, can be transferred to another location, or reclassified from an intern to a technician position, or may be separated from employment."

Pharmacy Interns – compensation. Have increases moved from a December time period to June time period.

Article 7, New Section No Free Work – Add language: – in a letter of understanding

There shall be no "free" or "time-off-the-clock" work practices under this Agreement. Any associate found by the Employer or the Union to be engaging in such a practice shall be subject to discipline which may include termination. Associates are required to accurately record their own work hours indicating starting and ending times of their work shift and meal periods by logging in at a cash register. The Employer reserves the right to modify how employees record their time worked, but will give notice to the Union before any significant changes are made. The associates are required to accurately record their own work hours and sign store records indicating the starting and ending times of their work shift and meal period.

Article 8, Section 8.3 Vacation – "Vacations should not be taken during the period November 1 through December 31, except in cases of personal or family emergency."

Article 8, Article 9 Paid Time Off: Company will continue current practice, including paying unused personal days and sick days.

Article 13, New Section Shift Supervisors candidates must meet the minimum requirements for the position including, being at least 21 years of age, and will be selected following the standard Rite Aid selection process.

All new Shift Supervisors shall successfully complete the 12-week Shift Supervisor training program and all required CBTs. Add Language:

Shift Supervisors candidates must meet the minimum requirements for the position including, being at least 21 years of age, and will be selected following the standard Rite Aid selection process. For Associates hired or promoted after ratification, Shift Supervisors must successfully complete the Rite Aid Supervisor Training and all required

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Computer Based Training (CBTs), and all new Shift Supervisors shall successfully complete a twelve (12) week position probationary period. Any associate removed from the Shift Supervisor position shall revert to his/her former rate inclusive of any general increase paid during such assignment.

The Shift Supervisor who successfully completes the training program and all required CBTs or when they are continually performing the functions of the position on a regular basis in the absence of a manager (opening or closing the store by his or herself) whichever is earlier will receive the Shift Supervisor pay rate as outlined in Article 6, Section 6.6.2.b. The Shift Supervisor will still be expected to complete all required training and CBTs.

The Shift supervisor will not be expected to make supervisory decisions with regard to the work force and such decisions will be referred to management. When the Shift supervisor is in charge of the store, he or she will be expected to report any unusual or out of the ordinary activities including any violations of policy work rules involving other associates without recommendation.

Article 13, New Section All Pharmacy Technicians will be required to successfully complete the Rite Aid Tech Certification Program and required CBTs. This is a six (6) month training program which includes classroom as well as on the job training followed by an examination. Add language:

Pharmacy associates, who have been performing the duties of a Rite Aid Pharmacy Technician for five (5) or more years at the time of ratification and have such verified by two (2) active Rite Aid Supervising Pharmacists, will be considered for the purposes of job classification as being Rite Aid Certified Technician upon the completion of the Rite Aid Technician Certification program and all required CBTs. One of the certifying Pharmacists must be the Pharmacy Technicians current supervising Pharmacist. If the Pharmacy Technician has not worked for two Supervising Pharmacists, then the Pharmacy Development Manager (PDM) can sign one of the affidavits. These certification documents must be returned to the Human Resources Manager by six months from ratification, otherwise this process will be void and the associate must complete the Rite Aid Certification Training including passing the examination.

Associates who are certified in accordance with this section are encouraged to complete the Rite Aid Pharmacy Technician certification exam; however, the results will not prevent the associate from being classified as a Rite Aid Certified Technician should all of the above criteria be met. In the event that the state does require certification, this exception to the examination process will become void.

Article 16, New Section Pharmacy Technicians – Add language:

All Pharmacy Associates who have been performing the duties of a Rite Aid Certified Pharmacy Technician for less than five (5) years at the time of ratification must successfully complete the Rite Aid Pharmacy Technician certificate program and pass the examination and complete all required CBTs within nine (9) months of ratification. If the

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associate does not successfully complete the Rite Aid Pharmacy Technician certificate program and pass the examination and complete all required CBT, then the associate shall be covered under the Cashier contractual provisions, including rates of pay.

All Cashiers hired after ratification and working in the Pharmacy must successfully complete the Rite Aid Pharmacy Technician certificate program and pass the examination and complete all required CBTs.

Article 26, New Section Add Language in a letter of understanding: "Union and Rite Aid agree that the Union will designate a responsible party for the handling of Rite Aid benefit questions and associate questions concerning the SEIU 1199 Health and Welfare and Other Benefit Funds."

Article 31, Section 31.1, Step 1 Grievance administration - "The Company will continue to follow the language as outlined in Article 10.1 of the 2002 Memo of Agreement and the Company will attempt to provide written notification to the union for any involuntary terminations which are not defined as summary discharges in said Articles. All grievances must be submitted in writing within 30 days of the Company's notification to the Union of involuntary termination or they will be deemed to have been waived."

Article 31, Section 31.1, Step 3 Change the clause that says that if the Company does not answer at the 3rd step that the Company will be defaulted to: "failure of the party to answer including the 3rd step answer within the time limits shall be deemed a denial of the grievance. Prior to either party claiming a 'default,' that party must provide written notice of 'intent to default' advising that a default will be claimed unless the other party answers within thirty (30) days of the receipt of this notice letter."

Article 31, Section 31.1, Step 4 Grievance Arbitrator - In lieu of the State of the New York Arbitration Board, the arbitrator to be selected through the American Arbitration Association similar to terms of League Agreement.

If the grievance is not settled in Step III, the Union may refer and submit the grievance promptly to arbitration before an Arbitrator selected in accordance with the procedures of the American Arbitration Association. The American Arbitration Association will produce one list of eleven (11) names of arbitrators, seven (7) of whom are members of the National Academy of Arbitrators, who have availability to hear cases within thirty (30) working days of selection. The decision of the Arbitrator shall be final and binding upon all parties herein.

Article 35 Company will follow 1998-2002 agreement.

RITE AID/1199 SEIU
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The parties agree that they will jointly create a letter of understanding outlining their intent regarding a drug testing policy. Until such time, current practices will prevail

Incorporate changes agreed to in these negotiations & changes agreed to in 2002 1199 SEIU/Rite Aid Memo of Agreement into a new contract document.

ECONOMIC AGREEMENTS

WAGES:

Article 5, Section 5.2 All associates below a base wage of \$10.00/hour and out of the progression will receive an across the board increase on the following dates:

December 3, 2006	3% increase to base wage
December 2, 2007	3% increase to base wage
March 8, 2009	4% increase to base wage
June 13, 2010	4% increase to base wage

All associates with a base wage of \$10.00/hour or above will receive a 3% across the board increase to base wage on the following dates:

December 3, 2006
December 2, 2007
December 14, 2008
December 13, 2009

Article 6, Section 6.5 Pharmacists minimum, effective December 3, 2006:*

Supervising Pharmacists	\$50.00/hr
Staff Pharmacists	\$48.75/hr

*Pharmacists who are earning less than \$46.00 will be increased to a base rate of \$46.00/hour as of December 3, 2006. On June 3, 2007, these same Pharmacists will be increased to the full applicable minimum rate.

3% across the board increase to base wage or bring to the minimum rate whichever is greater (not both) on the following dates:

December 3, 2006
December 2, 2007
December 14, 2008
December 13, 2009

(Note: Interns will follow the Intern pay schedule)

RITE AID/1199 SEIU
Memorandum of Agreement
November 14, 2006

Article 6, Section 6.6 Premiums:

6.6.1 Pharmacy Trainers will be paid a \$.75/hour premium when they are performing scheduled training of other associates. The company will select the trainers based on knowledge, skill, ability, and availability.

6.6.2 Positional Premiums:

6.6.2.a Pharmacy Technicians who successfully complete Rite Aid Pharmacy Technician Training and who are certified by passing the Rite Aid Certified Technician Test will receive a promotion increase of \$.75 or the rate for a Pharmacy Technician of the same length of service in the proposed scale, whichever is greater. This premium will be effective the first full pay period following the examination.

6.6.2.b Shift Supervisors who successfully complete Rite Aid Shift Supervisors training program or when they are continually performing the functions of the position on a regular basis in the absence of a manager (opening or closing by his or herself), whichever is earlier, will receive on the first full pay period following that date either a promotion premium of \$.75 or the rate for a Shift Supervisor of the same length of service in the New Hire Progression, whichever is greater.

6.6.2.c All associates hired at or above \$8.75 will be considered as already having received a promotion increase.

6.6.2.d All associates who are or have been part of the current Pharmacy Technician or Shift Supervisor pay matrix as outlined in the 2002 Memorandum of Agreement will be considered as already having received a promotion increase. Therefore, these associates will not receive an additional promotional increase.

Article 7, Section 7.3 Add Language: *"Pharmacists who were in the bargaining unit prior to October 11, 1998 and are currently being paid overtime for over eight (8) hours worked in a day will on June 3, 2007 begin to receive overtime for hours worked over ten in a day. As of January 13, 2008, no Pharmacist will be paid overtime based on the number of hours worked in a day."*

Article 8, Section 8.1; Article 9, Section 9.1 Entitlements (paid time off only) in the contract to be administered on a calendar basis.

Rite Aid agrees to establish a non-matching 401(k) plan if a minimum of 25% of the then existing bargaining unit apply for the benefit.

Parity

All personal/holiday and sick days are entered into the system the first day of the first full pay cycle each January. Holidays will now be used as personal days.

*RITE AID/1199 SEIU
Memorandum of Agreement
November 14, 2006*

For Upper NY and New Jersey Associates **CURRENTLY** employed:

*All currently employed associates will receive 1 additional sick day per calendar year to a maximum of 7 days in 2010.

*All currently employed associates will receive 1 additional personal/holiday in the final year of the contract to a maximum of 10 days in 2010.

For NYC, Upper New York, and New Jersey Associates hired **AFTER** ratification:

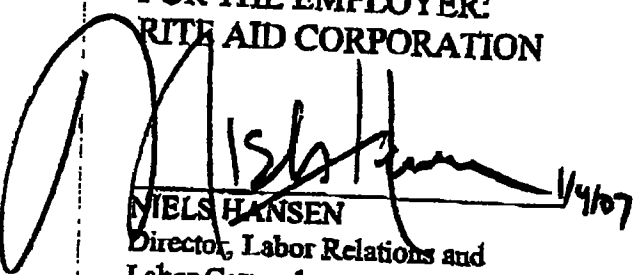
	Personal/Holiday	Sick	Birthday
	Total number of days		
After 6 months of service	2	1	0
After 12 months of service	4	2	1
After 24 months of service	6	3	1
After 36 months of service	8	5	1
After 48 months of service	10	7	1

All increase dates for 2006 will become effective on the stated date (prospective increases only.)

Wage Scale Attached: Note – Existing associates whose current earnings are not on a step scale (and who are not above scale) will move to the next dollar amount/wage step above their current earnings—regardless of time in service. Each increase thereafter will be in six month increments until they reach the top of the scale in time or rate of pay and are eligible for across the board increases.

This Agreement is subject to ratification by 1199 and its members.

**FOR THE EMPLOYER:
RITE AID CORPORATION**


NIELS HANSEN
Director, Labor Relations and
Labor Counsel

**FOR THE UNION:
1199 SEIU**


MIKE RIFKIN
Executive Vice President


LAURIE VALLONE
Vice President,

FEB. 1.2007 2:36PM 1199 SEIU NYC HQ

No.210 P.10

NYC WAGE SCALE

12/3/2006				12/2/2007				12/1/4/2008				12/13/2009			
Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.
\$50.00			\$51.50			\$53.05		\$54.65			\$56.25			\$57.90	
\$48.75			\$50.25			\$51.80		\$53.40			\$55.00			\$56.60	
\$21.00			\$21.00			\$21.00		\$21.00			\$21.00			\$21.00	
\$18.00			\$18.00			\$18.00		\$18.00			\$18.00			\$18.00	
\$15.00			\$15.00			\$15.00		\$15.00			\$15.00			\$15.00	
\$13.00			\$13.00			\$13.00		\$13.00			\$13.00			\$13.00	
*Pharmaceuticals below \$44.00/hr will be raised to \$46.00/hr on Dec. 3, 2006 and full minimum rate on June 3, 2007. See Article 6, Section 8.1.															
**Internal will be moved to a June increase date.															
\$10.75			\$10.81			\$11.07		\$11.24			\$11.41			\$11.58	
\$12.50			\$12.69			\$12.88		\$13.07			\$13.26			\$13.45	
\$13.75			\$13.93			\$14.17		\$14.38			\$14.59			\$14.80	
\$8.00			\$8.00			\$8.00		\$8.00			\$8.00			\$8.00	
\$8.15			\$8.15			\$8.15		\$8.15			\$8.15			\$8.15	
\$8.55			\$8.45			\$8.45		\$8.45			\$8.45			\$8.45	
\$8.75			\$8.75			\$8.75		\$8.75			\$8.75			\$8.75	
\$9.05			\$9.05			\$9.05		\$9.05			\$9.05			\$9.05	
\$9.35			\$9.35			\$9.35		\$9.35			\$9.35			\$9.35	
\$10.00			\$10.00			\$10.00		\$10.00			\$10.00			\$10.00	
\$8.00			\$8.00			\$8.00		\$8.00			\$8.00			\$8.00	
\$8.15			\$8.15			\$8.15		\$8.15			\$8.15			\$8.15	
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\$9.10			\$9.10			\$9.10		\$9.10			\$9.10			\$9.10	
\$9.40			\$9.40			\$9.40		\$9.40			\$9.40			\$9.40	
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\$9.85			\$9.85			\$9.85		\$9.85			\$9.85			\$9.85	
\$11.60			\$11.60			\$11.60		\$11.60			\$11.60			\$11.60	
\$12.60			\$12.60			\$12.60		\$12.60			\$12.60			\$12.60	
\$14.10			\$14.10			\$14.10		\$14.10			\$14.10			\$14.10	
\$7.15			\$7.15			\$7.15		\$7.15			\$7.15			\$7.15	
\$7.55			\$7.55			\$7.55		\$7.55			\$7.55			\$7.55	
\$7.80			\$7.80			\$7.80		\$7.80			\$7.80			\$7.80	
\$8.25			\$8.25			\$8.25		\$8.25			\$8.25			\$8.25	
\$8.50			\$8.50			\$8.50		\$8.50			\$8.50			\$8.50	
\$9.00			\$9.00			\$9.00		\$9.00			\$9.00			\$9.00	
\$9.15			\$9.15			\$9.15		\$9.15			\$9.15			\$9.15	

Pharmaceutical Supervision*
 Pharmacist, Registered*
 Intern, Graduate**
 Intern, 5th Year**
 Intern, 4th Year**

Manager, Assistant

0-9

10-14

15 +

Skill Supervisor

All hire

+ 6 months

+ 12 months

+ 18 months

+ 24 months

+ 30 months

+ 36 months

Technicians, Pharmacy

All hire

+ 6 months

+ 12 months

+ 18 months

+ 24 months

+ 30 months

+ 36 months

+ 5 years

+ 10 years

+ 15 years

Full/Part-time Cashiers

All hire

+ 6 months

+ 12 months

+ 18 months

+ 24 months

+ 30 months

+ 36 months

Those above the new hire progression in either time of service or rate of pay shall be eligible for the applicable across the board wage increases.

UPPER NY WAGE SCALE

		12/31/2006			12/31/2007			12/31/2008			12/31/2009		
		Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.
Pharmacist, Supervising*		\$50.00			\$51.50			\$53.05			\$54.65		
Pharmacist, Registered*		\$48.75			\$50.25			\$51.80			\$53.40		
Intern, Graduate**		\$21.00			\$21.00			\$21.00			\$21.00		
Intern, 6th Year**		\$18.00			\$18.00			\$18.00			\$18.00		
Intern, 5th Year**		\$15.00			\$15.00			\$15.00			\$15.00		
Intern, 4th Year**		\$13.00			\$13.00			\$13.00			\$13.00		
*Pharmacists below \$48.00/hr will be raised to \$48.00/hr on Dec. 3, 2006 and full minimum rate on June 3, 2007. See Article 6, Section 6.5													
**Pharmas will be moved to a June increase date													
Shift Supervisor		\$8.00			\$8.00			\$8.00			\$8.00		
Start		\$8.15			\$8.15			\$8.15			\$8.15		
+6 months		\$8.65			\$8.55			\$8.55			\$8.55		
+12 months		\$8.75			\$8.75			\$8.75			\$8.75		
+18 months		\$9.05			\$9.05			\$9.05			\$9.05		
+24 months		\$9.35			\$9.35			\$9.35			\$9.35		
+30 months		\$10.00			\$10.00			\$10.00			\$10.00		
+36 months													
Technicians, Pharmacy		\$8.00			\$8.00			\$8.00			\$8.00		
Start		\$8.15			\$8.15			\$8.15			\$8.15		
+6 months		\$8.55			\$8.55			\$8.55			\$8.55		
+12 months		\$8.10			\$8.10			\$8.10			\$8.10		
+18 months		\$8.40			\$8.40			\$8.40			\$8.40		
+24 months		\$8.65			\$8.65			\$8.65			\$8.65		
+30 months		\$9.65			\$9.65			\$9.65			\$9.65		
+36 months													
Full/Part-time Cashiers		\$7.15			\$7.15			\$7.15			\$7.15		
Start		\$7.55			\$7.55			\$7.55			\$7.55		
+6 months		\$7.80			\$7.80			\$7.80			\$7.80		
+12 months		\$8.20			\$8.20			\$8.20			\$8.20		
+18 months		\$8.40			\$8.40			\$8.40			\$8.40		
+24 months		\$8.65			\$8.65			\$8.65			\$8.65		
+30 months		\$8.91			\$8.91			\$8.91			\$8.91		
+36 months													

Those above the new hire progression in either time of service or rate of pay shall be eligible for the applicable across the board wage increases.

NJ WAGE SCALE

12/31/2006			12/27/2007			12/14/2008			12/13/2008		
Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.	Min.	\$ Inc.	% Inc.
\$8.00			\$8.00			\$8.00			\$8.00		
\$8.15			\$8.15			\$8.15			\$8.15		
\$8.55			\$8.55			\$8.55			\$8.55		
\$8.75			\$8.75			\$8.75			\$8.75		
\$9.05			\$9.05			\$9.05			\$9.05		
\$9.35			\$9.35			\$9.35			\$9.35		
\$10.00			\$10.00			\$10.00			\$10.00		
\$8.00			\$8.00			\$8.00			\$8.00		
\$8.15			\$8.15			\$8.15			\$8.15		
\$8.55			\$8.55			\$8.55			\$8.55		
\$8.75			\$8.75			\$8.75			\$8.75		
\$9.05			\$9.05			\$9.05			\$9.05		
\$9.35			\$9.35			\$9.35			\$9.35		
\$10.00			\$10.00			\$10.00			\$10.00		
\$7.15			\$7.15			\$7.15			\$7.15		
\$7.55			\$7.55			\$7.55			\$7.55		
\$7.80			\$7.80			\$7.80			\$7.80		
\$8.20			\$8.20			\$8.20			\$8.20		
\$8.40			\$8.40			\$8.40			\$8.40		
\$8.85			\$8.85			\$8.85			\$8.85		
\$8.91			\$8.91			\$8.91			\$8.85		
									\$8.91		

Shift Supervisor:
 Step 1 - Start
 Step 2 - +6 months
 Step 3 - +6 months
 Step 4 - +6 months
 Step 5 - +6 months
 Step 6 - +6 months
 Step 7 - +6 months
 Technicians, Pharmacy:
 At Hire
 + 6 months
 + 12 months
 + 18 months
 + 24 months
 + 30 months
 + 36 months
 Full/Part-time Cashiers:
 At Hire
 + 6 months
 + 12 months
 + 18 months
 + 24 months
 + 30 months
 + 36 months

Those above the new hire progression in either time of service or rate of pay shall be eligible for the applicable across the board wage increases.

AGREEMENT

Rite Aid Corporation ("Rite Aid") and 1199 NHHSEU, SEIU, AFL-CIO enter into this Agreement regarding neutrality and union access to those Rite Aid stores which are currently non-union ("the Non-union Stores"), and the process by which 1199 may obtain status as collective bargaining representative of the employees in the Non-union stores.

PURPOSE

1. The parties hereby establish the following procedure for the purpose of ensuring an orderly environment for the exercise by the Employer's employees of their rights under Section 7 of the National Labor Relations Act, and to avoid picketing or other economic action directed at the Employer for organizational reasons.

2. The parties mutually recognize that the national labor law guarantees employees the right to form or select labor organizations to act as the employees' exclusive representatives for the purpose of collective bargaining with Employers, or to refrain from such activity.

REPRESENTATION (REGIONAL BARGAINING UNIT)

3. Rite Aid will recognize the Union as the collective bargaining representative for its employees in the following counties and cities:

A. New York State:

Putnam County, Orange County, Dutchess County, Ulster County, Sullivan County, and the city of Albany.

B. New Jersey:

the counties of Passaic, Bergen, Essex, Union, Hudson, and the cities of Edison, PerthAmboy, Carteret, and Woodbridge in Middlesex County.

4. All new stores Rite Aid opens in the above counties and areas shall be part of the bargaining unit.

BARGAINING UNITS POSITIONS

5. The New York bargaining unit shall consist of all non-supervisory professional and non-professional employees. The New Jersey bargaining unit shall consist of all non-professional employees.

RECOGNITION

6. Rite Aid agrees that at all unorganized stores, representatives of 1199 shall be permitted to meet with employees (in job classifications covered by the collective bargaining agreements between Rite Aid and 1199) on store premises for the purpose of allowing 1199 to explain to employees the potential benefits of union representation. Each such meeting shall last no longer than sixty (60) minutes. Upon request, Rite Aid will furnish to the Union the names, addresses, telephone numbers, dates of hire and classifications of all employees in the store. The information will be provided within 72 hours of the request.

7. At such meetings, representatives of 1199 will be introduced by a Rite Aid representative, who will read a statement which has been mutually agreed upon by Rite Aid and the Union. Such Rite Aid representative will then leave the room and allow representatives of 1199 to meet with the employees and solicit authorization cards. No Rite Aid management employee will be present during such meetings. 1199 agrees that any solicitation of authorization cards will not be coercive or involve threats of any kind, and will comply in all respects with the limitations of the National Labor Relations Act.

8. Rite Aid further agrees that it and its managers and supervisors shall remain entirely neutral with respect to unionization and 1199 as the union seeking to represent its employees. 1199 will not disparage Rite Aid or its management in the course of these efforts.

9. Rite Aid and 1199 agree that any authorization cards obtained by 1199 from employees in the Non-union Stores shall be checked against a list of employees in the Non-union Stores as of the last payroll period prior to the scheduled store visit (#9 - #10 above) by an arbitrator mutually agreed upon by the parties. Rite Aid will provide the arbitrator with such list. The arbitrator will have the authority to decide any disputed matters between the parties with respect to the vote count or the application of this agreement, and to fashion appropriate remedies. His decisions shall be final and binding and the parties agree that they will not use the NLRB to resolve issues delegated herein to the arbitrator.

10. Subject to the other conditions described in this Letter of Understanding, if the arbitrator certifies in writing that 1199 has obtained cards from a majority of the employees in a Non-union Stores, Rite Aid agrees to recognize 1199 as the collective bargaining representatives of the employees in the Non-union Stores as part of the regional bargaining unit for that region and to apply the terms and conditions of the collective bargaining agreements which have been negotiated between Rite Aid and 1199 in that region.

11. Provided the above terms are complied with, 1199 will not strike, picket or boycott for recognition at any Rite Aid location in connection with its organizing efforts.

JUL-01-98 WED 01:17 PM RITE AID HR DEPT

FAX NO. 717 731 3860

P. 05

REGIONAL BARGAINING

12. The contracts between Rite Aid and 1199 covering each of the various regional bargaining units will take into account other Collective Bargaining Agreements and Rite Aid contracts within the region, as well as local economic standards.

INTRA-UNIT TRANSFERS

13. a. Based upon seniority in the regional bargaining unit, employees at stores within a regional shall have the right to transfer into vacant positions in other stores within their region. They shall also have the right to apply for promotions to vacant positions in other stores, where there is not a qualified employee within the store where the promotional vacancy exists. In the case of employees bidding for promotion, seniority and the ability to do the work shall prevail, if all other qualifications are equal. Said transfer will not be unreasonably withheld by Rite Aid.

b. In the event Rite Aid opens a new stores, it shall give thirty days advance notice to 1199 of such planning opening. It shall also advise the Union of the classifications to be filled in the new store. These openings will be posted in all other stores in that Region and employees in the Regional Bargaining Unit shall be entitled to transfer to positions in their classifications in the newly opened stores. Where more than one unit employee applies for a position the employee with the ability to do the work and the greatest seniority shall be transferred. The employees of the newly opened store will be included in that Regional Bargaining Unit and covered by the collective bargaining agreement between Rite Aid and 1199 in effect in that region. Such transfer will not be unreasonably withheld by Rite Aid.

Dated: June 29, 1998

Mike Riffan Exec VP
1199 NHHSEU, SEIU, AFL CIO

Bob Smith
RITE AID CORPORATION

Yvonne Amosky VP

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Denise Reinhardt *

May 31, 2007

BY FACSIMILE AND
FIRST CLASS MAIL

Ms. Mariana Tinizhanay
Case Administrator
American Arbitration Association
1633 Broadway, 10th Floor
New York, NY 10019

Counsel:
Anthony DiCaprio
Michael Steven Smith
David P. Horowitz †



Re: 1199SEIU and Rite Aid Corporation
(Failing to apply contract to newly acquired
stores and enjoining anti-Union campaigns)

Dear Ms. Tinizhanay:

A dispute has arisen between our client, 1199SEIU United Healthcare Workers East, located at 310 West 43rd Street, New York, NY 10036 and Rite Aid Corporation, P.O. Box 3165, Harrisburg, PA 17105.

The dispute involves violations of the CBA, by stating its intention to not apply the CBA to newly-acquired stores that would result from a pending merger and implementing an anti-union campaign in conjunction with the to-be-merged company. The Union seeks, inter alia, compliance with the contract, declaratory award interpreting the "Coverage" clause of the CBA, an order enjoining the Employer from further engaging in anti-union campaign activities and to have the grievants and Union made whole in every way. I have enclosed the letter dated May 31, 2007 to Niels Hansen, Rite Aid Corporation from Laurie Vallone, 1199 Vice President, that more fully details the dispute between the parties.

Will you, therefore, in accordance with the terms of the collective bargaining agreement between the parties, designate an arbitrator to hear and determine this dispute. By the enclosed letter, the Union requests that the Employer agree to an expedited hearing.

LEVY RATNER, P.C.

Ms. Mariana Tinizhanay
May 31, 2007
Page 2

Please send all original correspondence and notices to the Legal Department of
1199SEIU United Healthcare Workers East, 310 West 43rd Street, New York, NY 10036.

Very truly yours,

Daniel J. Ratner (SR)

Daniel J. Ratner,
General Counsel for
1199SEIU

Enclosure

cc: Rite Aid Corporation
Attn: Niels Hansen
Michael Rifkin
Laurie Vallone
Legal Department



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Sara D. Newman •
Susan J. Cameron •

Senior Counsel:
Richard Dorn
Jennifer J. Middleton ◊
Paul Schachter ◊
Denise Reinhardt •

June 11, 2007

**BY FACSIMILE AND
OVERNIGHT DELIVERY**

Counsel:
Anthony DiCaprio
Michael Steven Smith
David P. Horowitz †



Elbert F. Tellem
Assistant Regional Director, Region 2
National Labor Relations Board
26 Federal Plaza Room 3614
New York, NY 10278-0179

Re: Rite Aid Corporation and 1199SEIU

Dear Elbert:

This firm represents 1199SEIU, United Healthcare Workers East (“1199” or “Union”). On or about June 5, 2007 Rite Aid Corporation (“Rite Aid”) filed unfair labor practice charges against 1199 which allege, in essence, that 1199 is violating the National Labor Relations Act by seeking to enforce an “after-acquired clause” in its collective bargaining agreement. This letter constitutes a preliminary statement of 1199’s position in connection with those charges.

1199 represents approximately 6,500 Rite Aid employees and has entered into several successive collective bargaining agreements and memoranda of agreement with Rite Aid, the most recent of which is effective from 2006 through 2010. Article 1 of the 1998-2002 collective bargaining agreement (“CBA”) provides that the CBA shall apply to any existing stores that Rite Aid acquires within the geographical area covered by the CBA (“After-Acquired Clause”). Specifically, the After-Acquired clause states that the CBA “shall apply only to those drug stores operated by said Employer, and to drug stores hereinafter opened by Rite Aid Corporation (including but not limited to those stores in which the Employer directly or indirectly acquires an interest of 50% or more in existing stores) . . .” Article 1 has not been modified by any subsequent memorandum of agreement. A copy of the CBA is attached.

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LEVY RATNER, P.C.

Elbert F. Tellem
June 11, 2007
Page 2

In or around August 2006, Rite Aid entered into a merger agreement with the Jean Coutu Group, Inc. ("Merger Agreement") pursuant to which Rite Aid acquired, in full, all Brooks Eckerd drug stores ("Eckerd stores"), including those stores within the geographical area covered by the CBA. Notwithstanding the clear and unambiguous language of the After-Acquired clause, Rite Aid informed the Union that it intends to operate the Eckerd stores pursuant to a union free business model. Additionally, Rite Aid, in conjunction with Eckerd management, launched a campaign directed at the Eckerd employees within the geographical area covered by the CBA designed to discourage and undermine the employees' support for the Union ("Union Avoidance Campaign")¹.

On May 31, 2007, 1199 filed a demand for arbitration seeking a declaratory ruling that Rite Aid's stated intention to keep the acquired Eckerd stores "union free" is a violation of the CBA's After-Acquired Clause and further seeking a ruling that the Union Avoidance Campaign violates the CBA's implied covenant of good faith because it frustrates the Union's ability to enforce the After-Acquired Clause. A copy of the Union's arbitration demand is attached. On June 6, 2007, the Union filed a Motion for Preliminary Injunction in the United States District Court, Southern District of New York, seeking to enjoin the Union Avoidance Campaign pending the conclusion of the arbitration process. A copy of the Union's motion and its supporting papers are attached.

The Board held in *Kroger Co.* that clauses like the After-Acquired clause are valid and require the employer to recognize the union in a new store upon a showing of majority status. 219 NLRB 388, 389 (1975). *Kroger* remains good law today and 1199 is seeking no more and no less than the lawful enforcement of this valid clause. 1199 has not yet made a demand for recognition in any former Eckerd store, no less a store in which it does not have majority support. Rite Aid's contention that the Union is seeking enforcement of an unlawful contract clause, or that the Union otherwise acting unlawfully in its efforts to enforce that clause has absolutely no basis in fact or law.

¹ As part of the Union Avoidance Campaign, Rite Aid and Eckerd have made threats of reprisals and committed other unfair labor practices. Accordingly, on June 5, 2007 the Union filed unfair labor practice charges against both Rite Aid and Eckerd in Region 29. As we have been advised that Region 2 will be investigating these charges we will withdraw the charges and re-file them in Region 2.



LEVY RATNER, P.C.

Elbert F. Tellem
June 11, 2007
Page 3

1199 will submit a more detailed statement of its legal and factual positions with respect to Rite Aid's allegations. However, it is clear that not only should the Board decline to seek an injunction under Section 10(j) of the Act, but it should dismiss Rite Aid's charges in their entirety, absent withdrawal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Allyson L. Belovin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Allyson L. Belovin

Enclosures

cc: Daniel J. Ratner Esq.
Michael L. Rifkin
Laurianne D. Vallone



Exhibit I

AGREEMENT

The Rite Aid Corporation recognizes 1199 National Health and Human Service Employees Union as the collective bargaining representative of its employees at all stores located within the New York counties of Putnam, Dutchess, Orange, Sullivan, Ulster, and the city of Albany and the New Jersey counties of Passaic, Bergen, Essex, Hudson, Union and the cities of Edison, Perth Amboy, Carteret and Woodbridge in Middlesex County.

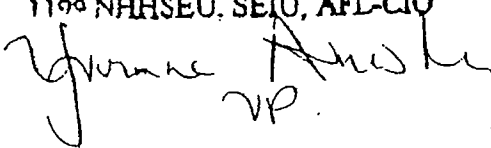
AND

The recognition process, as agreed, as well as terms and conditions of the Collective Bargaining Agreement to be negotiated shall be completed by October 31, 1998.

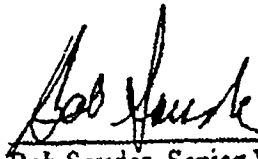
Dated: June 29, 1998



Mike Rifkin, Executive Vice President
1199 NHHSEU, SEIU, AFL-CIO



Joanne Anisby
VP



Bob Souder, Senior Vice President
RITE AID CORPORATION